CHAPTER 180

### PROFESSIONS AND OCCUPATIONS

**HOUSE BILL 18-1259** 

BY REPRESENTATIVE(S) Gray, Herod, Hooton, Lontine, Melton, Rosenthal, Singer, Duran; also SENATOR(S) Marble, Merrifield, Neville T., Smallwood, Tate.

# AN ACT

CONCERNING PROVIDING MARIJUANA SAMPLES TO EMPLOYEES FOR BUSINESS PURPOSES.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, 12-43.3-403, add (4) as follows:

- 12-43.3-403. Optional premises cultivation license rules. (4) (a) An optional premises cultivation licensee may provide a medical marijuana sample and a medical marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. An optional premises cultivation licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (4)(a).
- (b) Managers who receive a sample pursuant to subsection (4)(a) of this section must have a valid registry identification card issued pursuant to section 25-1.5-106 (9).
- (c) A sample authorized pursuant to subsection (4)(a) of this section is limited to one gram of medical marijuana per batch as defined in rules promulgated by the state licensing authority, and one-quarter gram of a medical marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of medical marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver medical marijuana concentrate in a vaporized form to the person inhaling from the device.

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

- (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)(a)(XIV) AND (2)(a)(XIV.5).
- (e) A sample provided pursuant to subsection (4)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The optional premises cultivation licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.
- (f) Prior to a manager receiving a sample pursuant to subsection (4)(a) of this section, an optional premises cultivation licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.
  - (g) A MANAGER SHALL NOT:
- (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL MARIJUANA SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR
- (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.
  - (h) AN OPTIONAL PREMISES CULTIVATION LICENSEE SHALL NOT:
  - (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR
  - (II) Use the sample as a means of compensation to a manager.
- (i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The optional premises cultivation licensee shall maintain the information required by this subsection (4)(i) on the licensed premises for inspection by the state and local licensing authorities.
- (j) For purposes of this subsection (4) only, "manager" means an employee of the medical marijuana business who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the medical marijuana business.

**SECTION 2.** In Colorado Revised Statutes, 12-43.3-404, add (12) as follows:

- 12-43.3-404. Medical marijuana-infused products manufacturing licenserules. (12) (a) A medical marijuana-infused products manufacturing licensee may provide a medical marijuana concentrate and a medical marijuana-infused product sample to no more than five managers employed by the licensee for purposes of quality control and product development. A medical marijuana-infused products manufacturing licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (12)(a).
- (b) Managers who receive a sample pursuant to subsection (12)(a) of this section must have a valid registry identification card issued pursuant to section 25-1.5-106 (9).
- (c) A sample authorized pursuant to subsection (12)(a) of this section is limited to one serving size of edible medical marijuana-infused product and its applicable equivalent serving size of nonedible medical marijuana-infused product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of medical marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of medical marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver medical marijuana concentrate in a vaporized form to the person inhaling from the device.
- (d) A sample authorized pursuant to subsection (12)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to section 12-43.3-202 (2)(a)(XIV) and (2)(a)(XIV.5).
- (e) Asample provided pursuant to subsection (12)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The medical marijuana-infused products manufacturing licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.
- (f) Prior to a manager receiving a sample pursuant to subsection (12)(a) of this section, a medical marijuana-infused products manufacturing licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.
  - (g) A MANAGER SHALL NOT:
- (I) RECEIVE MORE THAN A TOTAL OF FIFTEEN GRAMS OF MEDICAL MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE EDIBLES OR ITS APPLICABLE

EQUIVALENT IN NONEDIBLE MEDICAL MARIJUANA-INFUSED PRODUCTS PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

- (II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.
- (h) A medical marijuana-infused products manufacturing licensee shall not:
  - (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR
  - (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.
- (i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The medical marijuana-infused products manufacturing licensee shall maintain the information required by this subsection (12)(i) on the licensed premises for inspection by the state and local licensing authorities.
- (j) For purposes of this subsection (12) only, "manager" means an employee of the medical marijuana business who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the medical marijuana business.

#### **SECTION 3.** In Colorado Revised Statutes, 12-43.4-403, add (7) as follows:

- **12-43.4-403. Retail marijuana cultivation facility license rules.** (7) (a) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE MAY PROVIDE A RETAIL MARIJUANA SAMPLE AND A RETAIL MARIJUANA CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (7)(a).
- (b) An excise tax shall be levied and collected on the sample of unprocessed retail marijuana by a retail marijuana cultivation facility. The excise tax must be calculated based on the average market rate of the unprocessed retail marijuana.
- (c) A sample authorized pursuant to subsection (7)(a) of this section is limited to one gram of retail marijuana per batch as defined in rules promulgated by the state licensing authority, and one-quarter gram of a retail marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from

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- (d) A sample authorized pursuant to subsection (7)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to section 12-43.4-202 (3)(a)(VII) and (3)(c)(III).
- (e) A sample provided pursuant to subsection (7)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The retail marijuana cultivation facility licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.
- (f) Prior to a manager receiving a sample pursuant to subsection (7)(a) of this section, a retail marijuana cultivation facility licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.
  - (g) A MANAGER SHALL NOT:
- (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF RETAIL MARIJUANA OR EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR
- (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.
  - (h) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL NOT:
  - (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR
  - (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.
- (i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The retail marijuana cultivation facility licensee shall maintain the information required by this subsection (7)(i) on the licensed premises for inspection by the state and local licensing authorities.
- (j) For purposes of this subsection (7) only, "manager" means an employee of the retail marijuana business who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana business.

## **SECTION 4.** In Colorado Revised Statutes, 12-43.4-404, add (10) as follows:

- 12-43.4-404. Retail marijuana products manufacturing license rules. (10) (a) Aretail marijuana products manufacturing licensee may provide a retail marijuana product sample and a retail marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. A retail marijuana products manufacturing licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (10)(a).
- (b) A sample authorized pursuant to subsection (10)(a) of this section is limited to one serving size of an edible retail marijuana product not exceeding ten milligrams of THC and its applicable equivalent serving size of nonedible retail marijuana product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of retail marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from the device.
- (c) A sample authorized pursuant to subsection (10)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to section 12-43.4-202 (3)(a)(VII) and (3)(c)(III).
- (d) A sample provided pursuant to subsection (10)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16(5)(c) of article XVIII of the state constitution. The retail marijuana products manufacturing licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.
- (e) Prior to a manager receiving a sample pursuant to subsection (10)(a) of this section, a retail marijuana products manufacturing licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.

### (f) A MANAGER SHALL NOT:

(I) RECEIVE MORE THAN A TOTAL OF EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE EDIBLES OR ITS APPLICABLE EQUIVALENT IN NONEDIBLE RETAIL MARIJUANA PRODUCTS PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

- (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.
  - (g) A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE SHALL NOT:
  - (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR
  - (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.
- (h) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The retail marijuana products manufacturing licensee shall maintain the information required by this subsection (10)(h) on the licensed premises for inspection by the state and local licensing authorities.
- (i) For purposes of this subsection (10) only, "manager" means an employee of the retail marijuana business who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana business.
- **SECTION 5.** Act subject to petition effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 30, 2018